



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 8, 2000

### **H.R. 4945** **Small Business Competition Preservation Act of 2000**

*As ordered reported by the House Committee on Small Business on July 27, 2000*

H.R. 4945 would amend the Small Business Act to require the Small Business Administration (SBA) to study and report each year on the effect on small businesses of federal agencies combining, or bundling, together multiple contracts into a single procurement contract. Specifically, SBA would report on the number and type of small businesses that were displaced as prime contractors as a result of implementing such larger, combined contracts and the number and total dollar amount of such contracts. In addition, for each bundled contract, the report would include the agency's justification for combining the contracts, whether the combined contract was consistent with the agency's small business subcontracting plan, any estimated savings for combining contracts, and the extent to which SBA expects such savings would continue.

The annual cost of implementing H.R. 4945 is uncertain because no data exists about the number of contracts that agencies bundle together each year. Agencies, however, are already required to produce much of the information that SBA would collect under H.R. 4945 for all of their contracts. In addition, agencies are beginning to submit some of that data to the Federal Procurement Data System, a database of procurement actions that is maintained by the General Services Administration. CBO estimates that implementing H.R. 4945 would cost SBA less than \$500,000 a year, subject to the availability of appropriated funds, to develop and maintain such a database, as well as report annually to the Congress.

In addition to SBA's costs, implementing the bill would increase costs for federal agencies to estimate the accumulated costs or savings each year for each bundled contract. Because we expect agencies would base such estimates on the market research they already perform under current law, CBO estimates that the annual increase in costs for other agencies would also be less than \$500,000, subject to the availability of appropriated funds. In total, CBO estimates that implementing H.R. 4945 would cost around \$500,000 a year.

Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. H.R. 4945 contains no intergovernmental or private-sector mandates as

defined in the Unfunded Mandates Reform Act and would not affect state, local, or tribal governments.

The CBO staff contact is John R. Righter. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.